

EXHIBIT 11

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OUTDATED



HERBALIFE®

CAREER BOOK

Retirement

When a Supervisor has personally sponsored ten first line Supervisors, he becomes eligible for Herbalife's Retirement Program, and the following guidelines apply:

1. You must have ten first line personally sponsored Supervisors who have renewed and qualified or re-qualified during the fiscal year (Feb. 1-Jan. 31).
2. When this happens, fill out the Supervisor Retirement Application and send it to Herbalife World Headquarters. You will then receive the full 5% royalty override on all three levels, regardless of your personal volume.
3. Your Retirement will commence at the start of the next fiscal year (Feb. 1) following your eligibility and will last for one full year.
4. To receive your retirement royalty override the following year, you must have ten first line Supervisors who renew and qualify or re-qualify again during the current fiscal year, and you must re-qualify yourself.
5. When you are in the Retirement Program, you must guarantee your three eligible upline Supervisors a maximum of 5% of the volume required to receive the full royalty payment (2,000 volume points).
6. Herbalife, in its sole discretion, may terminate the Distributorship or remove any Distributor from the Retirement Program if he is determined to have engaged in conduct detrimental to the interests of Herbalife.
7. Supervisors in the Retirement Program must comply with the Ten Customer Rule every month as well as all other requirements.

Rules for Becoming a Distributor

Rule 1.

Every new applicant must have an official Distributor Kit before he can become an authorized Distributor. No Distributor application will be approved unless such applicant owns a Distributor Kit. It is the responsibility of the Sponsor to make the kit available to the prospective Distributor.

Rule 2.

A husband and wife who wish to become Distributors together must sign the same applica-

tion for Distributorship form; their Distributorship will be issued under one Sponsor. Married couples cannot be under separate Sponsors nor can they sponsor each other. If one spouse is already a Distributor and the other wishes to become a Distributor, they must add the name of the second spouse to the first spouse's Distributorship. Distributors who marry each other must relinquish one Distributorship and become partners in the other. However, if both are Supervisors or above, then each may maintain a separate Distributorship. In addition, each shall remain in his original line of sponsorship.

Rule 3.

A person must be at least 18 years of age to become an independent Distributor. However, a minor above the age of 14 may, with Herbalife's approval and at its sole discretion, become a Distributor only with the written approval of his parent(s) or guardian(s). In this case, the parent or guardian is responsible for the actions of the child. For other requirements, contact the Records Department at World Headquarters.

Rule 4.

A corporation may not be a Distributor, but individuals who are Herbalife distributors may conduct their business through a corporation. In such a case, the Distributorship must be in the individual's name. There is no need for the corporation name or titles of officers to appear on the application for Distributorship. Individual Distributors must send a written request to Herbalife if they wish their checks to be made payable to their corporation.

Rule 5.

A partnership may not be a Distributor, but individuals who are Herbalife Distributors may conduct their business as a partnership. In such a case, the Distributorship must be in an individual's name. The partnership's name or parties involved need not appear on the Application for Distributorship. Individual Distributors must send a written request to Herbalife if they wish their checks to be made payable to their partnership.

Rule 6.

Any Herbalife Distributor wishing to resign should submit his resignation letter to Herbalife Headquarters after he has had the letter notarized. The Distributor and his spouse must wait one year before re-applying for another Herbalife Distributorship.

Remaining a Distributor Annual Processing Fee

All Distributors who become involved in Herbalife will be charged an annual processing fee to remain on the Herbalife computers. This charge is due one year from the original date of becoming a Distributor.

Rules of Conduct for Herbalife Distributors

These Rules of Conduct have been adopted in order to define the duties, responsibilities, and rights of Distributors among themselves and with the company. The purpose is to develop relationships which are more conducive to good business practices while at the same time maintaining the right of each Distributor to engage in free and independent business. As an Herbalife Distributor, remember that your actions directly and indirectly affect the business of other Distributors as well.

Herbalife will enforce these Rules of Conduct, but we also ask for cooperation from every Distributor.

Rule 1. Sales Offers

No Distributor shall make any sales offer related to Herbalife products which is not accurate and truthful as to price, grade, quality, performance, and availability.

Rule 2. Unlawful Practices

No Distributor shall engage in any deceptive or unlawful trade practice as defined by any federal, state, or local law or regulation.

Rule 3. Customer Complaints

A Distributor shall promptly and courteously investigate any customer complaint and shall take such steps as may be appropriate and necessary under the circumstances to see that any wrongs are corrected as quickly as possible.



Rule 4. Refund Policy

A Distributor shall honor the Herbalife refund policy by offering the customer, whenever the circumstances warrant, a full refund, exchange for a like product, or full credit for exchange with another Herbalife item, as the customer decides.

Rule 5. Taking Orders

Upon taking an order, the Distributor shall deliver a completed copy of the Herbalife retail order form to the customer.

Rule 6. Undesirable Selling Practices

An Herbalife Distributor shall not engage in high-pressure selling, but shall always conduct himself in a courteous and considerate manner. All presentations of Herbalife products must be complete and truthful including, but not limited to, instructions on the usage directions and precautions included on the product label and any accompanying literature.

Rule 7. Purchasing Products

Herbalife Distributors must purchase all of their products, literature, and supplies from or through their own Sponsors, or from Herbalife directly.

Rule 8. Other Products

No Distributor shall attempt to induce any other Herbalife Distributor, whom he does not personally sponsor, to sell other than Herbalife products.

The purpose of this rule is to ensure the rights of other Sponsors are honored at all times.

Rule 9. Independent Distributors

All Herbalife Distributors are independent business persons and no Distributor shall represent or imply that he has any employment relationship with Herbalife International, Inc. or with any of its affiliated companies. The use of the words "employee," "agent," "company representative," or "manager" on any stationery, business cards, or other printed matter is strictly prohibited.

Rule 10. Franchises or Territories

No Distributor shall represent or imply that there are franchises or territories available under the Herbalife sales and marketing plan.

Rule 11. Medical Claims

No Distributor shall make any medical claim for any Herbalife product. If a customer is under a physician's care, it is advisable that the Distributor recommend to the customer that he consult with his physician before undertaking any changes in his diet, particularly if a chronic disorder is involved. Persons with heart, liver, or kidney disorders or are under current medical treatment, should always be urged to seek the advice of their physician before changing their diets.

Rule 12. Trade Names

No Distributor shall use the name of the Company, or the trademarks of its products on any printed material of any kind whatsoever, (including the Distributor's name, place of doing business, advertising, etc.) without the written permission of the Company.

Rule 13. Reporting Violations

Every Distributor has the duty and responsibility to investigate and properly report any and all violations of the Distributor Rules of Conduct.

ENFORCEMENT PROCEDURES

This is a step-by-step summary of the methods by which Herbalife Distributors may deal with violations of the Rules of Conduct.

Step 1.

Upon learning of a violation, a Distributor should inform the violator of the appropriate section in the Rules of Conduct and discuss the matter with him. Point out the purpose behind the particular rule. Be sure that the alleged violator knows how his conduct broke the rule and what his proper conduct should have been. Most violations are due to a lack of understanding; a discussion usually settles the matter.

If the violator understands the rule and agrees to comply, then it is not necessary to inform the Company of the violation. However, a Distributor should always ensure that his Supervisor is aware of the problem.

Step 2.

If the alleged violator shows by word or conduct that he is unwilling or refuses to cooperate, then the Distributor should send a letter to the company stating the nature of the complaint; names, addresses, and telephone numbers of all persons involved; dates; times; places; etc. The letter must be signed by the Distributor(s) reporting the violation. Anonymous complaints cannot be made the basis for disciplinary action.

After the letter has been mailed, the Distributor should maintain contact with the violator and report any changes in the situation. The utmost care must be taken to ensure that the complaint is accurate and truthful—knowingly making a false complaint is a violation of the Rules of Conduct. The Company considers all complaint information to be strictly confidential.

Step 3.

When the complaint is received by the Company, it will be handled according to set Company procedures. All parties will be afforded the opportunity to present evidence and argument in writing to the Company. No decision will be rendered until all parties have been notified and an opportunity to appeal the fairness of the decision has been made available. Although the Company bears the primary responsibility for enforcement of the Rules of Conduct, Supervisors and occasionally Sponsors may be called upon to implement and enforce these decisions.

RULES FOR BECOMING A SPONSOR

Rule 1. Basic Requirement

A Sponsor must be an authorized Herbalife Distributor. If he ceases to be a Distributor, then any Distributors he has sponsored pass to the next upline Distributor.

Rule 2. Supplying Product

A Sponsor is responsible for ensuring that his sponsored Distributors have enough product to fill their needs. A Sponsor may either supply them from his own stock or service them through his Supervisor or directly from Herbalife.

Rule 3. Training

A Sponsor is responsible for properly training all the Distributors whom he sponsors. He may seek assistance from his Supervisor but the primary responsibility is his own.

Rule 4. Change of Sponsorship

Changes in sponsorship are to be discouraged. A Sponsor may not transfer a Distributorship from one Sponsor to another except in Herbalife's sole discretion and with the written approval of his Sponsor and everyone up to and including the three up-line Supervisors. However, fulfillment of this requirement does not mean that approval has necessarily been granted. If such a transfer is permitted, the Distributor will not be permitted to bring any of his current down-line Distributors with him as part of the transfer.

Rule 5. Losing a Supervisor You Have Sponsored

Whenever a Distributor who has not attained the level of Supervisor personally sponsors a Distributor who then qualifies as a Supervisor before the original sponsor becomes a Supervisor, the following will occur:

1. The sponsoring Distributor shall have a period of one year from the date of the sponsored Supervisor becoming qualified as a Supervisor to personally qualify himself.

2. If the sponsoring Distributor fails to qualify during the one year period, the sponsored Supervisor will be permanently advanced upline to the first qualified Supervisor within that organization.

RULES FOR REMAINING A SUPERVISOR

A Supervisor must assume the responsibilities and functions of a Supervisor as listed below to retain his Supervisor status.

Rule 1.

Supervisor Distributorships expire annually on January 31 (end of Herbalife's fiscal year). Each Supervisor must re-qualify prior to February 1 of each year. Re-qualification must be done in one of the ways available for original Supervisor qualification.

Rule 2.

Report violations of the Rules of Conduct and assist in enforcing them.

Rule 3.

Advise his personal group concerning the proper use of advertising and sales promotion materials.

Rule 4.

Train his personal group by holding regular meetings. If the group is large, he may hold these meetings in various centralized areas and in his absence may delegate certain meetings to experienced Sponsors in his group. Distributors not near a meeting place may require frequent training through mail and telephone contacts.

Rule 5.

Maintain regular office hours to be readily available to members of his group for consultation or supplies.

Rule 6.

Maintain a permanent address and provide this address to Herbalife. Also provide this address to his downline Distributors so they may maintain contact with him at all times.

Rule 7.

Ensure the proper preparation of Distributor applications and require each Sponsor to send the appropriate copy of the application to Herbalife without delay.

Rule 8.

Check to see that the Herbalife customer refund policy is properly understood and applied, and intervene in any disputes between customers and Distributors to see that they are settled promptly and amicably.

Rule 9.

Stay informed of Company policies by reading the manual and all Company correspondence and literature. Review these policies with your group to ensure that they are aware of and understand them.

NOTE TO DISTRIBUTORS— BIBLIOGRAPHY

Any statements in this publication concerning products or product contents are not for purposes of sales of Herbalife products, but are for background and informational report only. Certain persons considered to be experts may disagree with one or more of such statements, but such statements are nevertheless considered to be based on reliable authority and report, including such authorities and publications as:

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No statement in this publication shall be construed as offering any Herbalife product for any purpose other than as designated on the product label or in sales literature for such product. In no event shall the Herbalife herbal and nutritional products be construed as being offered for the diagnosis, cure, mitigation or treatment of any conditions or diseases.